

# HOUSE BILL REPORT

## SHB 2585

---

**As Passed House:**

February 11, 2004

**Title:** An act relating to prohibiting civil or criminal liabilities or penalties for actions related to the Washington State Health Insurance Pool.

**Brief Description:** Prohibiting civil or criminal liabilities or penalties for actions related to the Washington state health insurance pool.

**Sponsors:** By House Committee on Judiciary (originally sponsored by Representatives Cody, Bailey and Schual-Berke).

**Brief History:**

**Committee Activity:**

Judiciary: 1/29/04 [DPS].

**Floor Activity:**

Passed House: 2/11/04, 94-0.

**Brief Summary of Substitute Bill**

- Expands immunity against civil and criminal liability provided to the Washington State Health Insurance Pool to include the pool's board director, officers, employees, the Insurance Commissioner, and the commissioner's representatives and employees.
- Makes other changes to the immunity provision that applies to the Washington State Health Insurance Pool.

---

### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Moeller, Vice Chair; Carrell, Ranking Minority Member; McMahan, Assistant Ranking Minority Member; Campbell, Flannigan, Kirby, Lovick and Newhouse.

**Staff:** Trudes Tango Hutcheson (786-7384).

**Background:**

The Washington State Health Insurance Pool (WSHIP) is the state-facilitated insurance program for individuals who are unable to obtain coverage in the private market. It is governed by a 10-member board of directors, six of whom are appointed by the Governor and

four of whom are selected from among the health carriers that make up the membership of the pool. The Insurance Commissioner is also a non-voting, ex officio member. The pool and its financial reports are subject to examination by the commissioner.

Among other things, the board establishes a uniform screening mechanism for subscribers to enter the pool, establishes appropriate rates and rate schedules, assesses members of the pool, and issues health coverage policies.

The statutes governing WSHIP provide that participation by pool members, the establishment of rates, forms, and procedures, and any other joint or collective action required by the statutes or the state shall not be the basis for any civil or criminal liability or penalty against the pool, members of the pool, or members of the board of directors either jointly or separately.

---

**Summary of Substitute Bill:**

The immunity provision is amended to add employees and the insurance commissioner, cover a broader range of actions, and add a good faith requirement.

The pool, members, board directors, officers, employees, the Insurance Commissioner, and the commissioner's representatives and employees shall not be civilly or criminally liable and shall not have any penalty or cause of action of any nature arise against them for action taken or not taken, including discretionary decisions or failure to make discretionary decisions, when the action or inaction is done in good faith and in the performance of the powers and duties of the laws governing WSHIP.

---

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The WSHIP board is in agreement that the law should be changed. There is no known opposition to the bill. When the board is acting in good faith, they will be immune from liability for their discretionary acts. When the immunity provision was first enacted, WSHIP did not have employees or staff. Now that WSHIP has staff and employees, the statute should be amended to reflect that change.

**Testimony Against:** None.

**Persons Testifying:** Karen Larson, Washington State Health Insurance Pool.

**Persons Signed In To Testify But Not Testifying:** None.